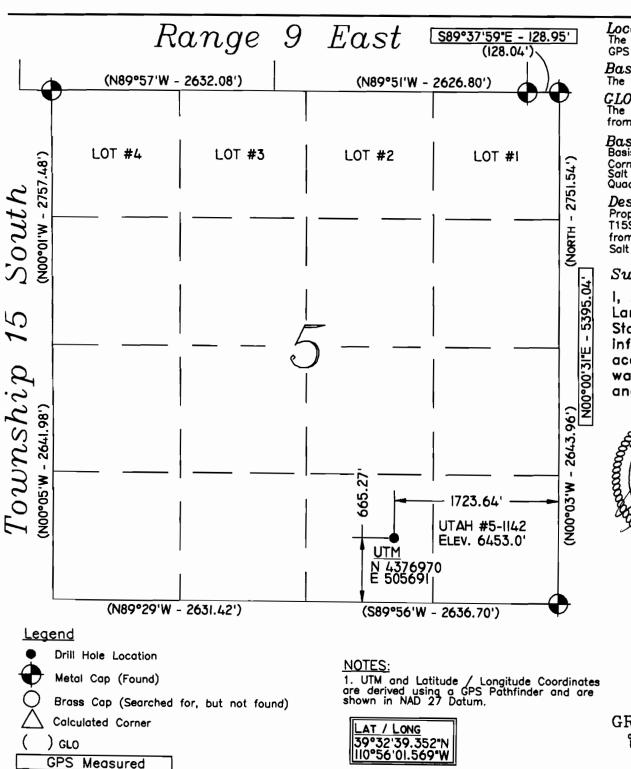
STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

AMENDED REPORT (highlight changes)	
(nigniight changes)	

FORM 3

APPLICATION FOR PERMIT TO DRILL						5. MINERAL LEASE NO: ML-48205	6. SURFACE: State			
1A. TYPE OF WO	1A. TYPE OF WORK: DRILL Z REENTER DEEPEN D					7. IF INDIAN, ALLOTTEE OR TRIBE NAME:				
B. TYPE OF WELL: OIL GAS OTHER SINGLE ZONE MULTIPLE ZONE						NE 🗍	8. UNIT OF CA AGREEMENT NAME: Drunkards Wash UTU-67921X			
2. NAME OF OPE		001							9. WELL NAME and NUMBER	:
3. ADDRESS OF	<u> </u>	ariy				l Pi	ONE NUMBER:		Utah 5-1142 10. FIELD AND POOL, OR WI	I DCAT:
P.O. Box 8	51	CITY Price			JT _{ZIF} 84	501 (4	35) 613-9777	,	Drunkards Wash	
4. LOCATION OF	•	ES)	UTMX 5	057	02 X	39.54 -110.93	4192		11. QTR/QTR, SECTION, TOV MERIDIAN:	WISHIP, RANGE,
AT SURFACE:	665' FSL,	1724' FEL	1 my 43	76	962x	- 110 . 93	3642		SWSE 5 158	9E
AT PROPOSED	PRODUCING ZO	ONE:	,		,		, -			
14. DISTANCE IN	MILES AND DIR	ECTION FROM NEAR	REST TOWN OR P	POST OF	FICE:				12. COUNTY:	13. STATE: UTAH
8 miles s	outhwest o	f Price, Utah							Carbon	OIAN
15. DISTANCE TO	NEAREST PRO	PERTY OR LEASE LI	NE (FEET)		16. NUMBER OF	FACRES IN LEASE:		17. N	UMBER OF ACRES ASSIGNED	TO THIS WELL:
665 feet							1548.2 acres			160 acres
	NEAREST WEL R) ON THIS LEAS	L (DRILLING, COMPL E (FEET)	LETED, OR	П	19. PROPOSED	DEPTH:		20. B	OND DESCRIPTION:	
1300 feet							3,440		otary	
	,	ER DF, RT, GR, ETC.);			ATE DATE WORK WI	LL START:	23. E	STIMATED DURATION:	
6453.0' G	R				4/15/200					
24.			PROPO	SED (CASING A	ND CEMENTIN	IG PROGRAM			
SIZE OF HOLE	CASING SIZE	GRADE, AND WEIG	HT PER FOOT	SET	TING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT				
15"	12 3/4"	Conductor			40					
11"	8 5/8"	J-55	24#/ft 400		170 sks G+2% CaCl 1/4#/skD29					
7 7/8"	5 1/2"	N-80	17#/ft		3,430	110 sks50/5	OPOZ+8% g	el+2%	CaCl +10%extend	1/4#/skD29
						280 sks "G"	thixotropic			
25.					ATTA	CHMENTS				
VERIFY THE FOL	VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:									
WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER										
EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER				FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER						
NAME (PLEASE PRINT) Jean Semborski TITLE Construction/Asset Integrity Supervisor										
NAME (PLEASE PRINT) Jean Semborski				TITLE	JOHSBRUCTION//	ASSEL	integrity Supervisor			
SIGNATURE										
(This space for State use only)										
									RECEIV	'FD
API NUMBER ASSIGNED: 4300 73 1154				APPROVAL:			MAR 0 8 2	200		
									MAK 0 8 2	JU6



Location:

The well location was determined using a Trimble 5700 GPS survey grade unit.

Basis of Bearing:

The Basis of Bearing is GPS Measured.

GLO Bearing:
The Bearings indicated are per the recorded plat obtained from the U.S. Land Office.

Basis of Elevation:
Basis of Elevation of 6327' being at the Southeast Section
Corner of Section 4, Township 15 South, Range 9 East,
Salt Lake Base and Meridian, as shown on the Pinnacle Peak
Quadrangle 7.5 minute series map.

Description of Location:
Proposed Drill Hole located in the SW/4 SE/4 of Section 5, T15S, R9E, S.L.B.&M., being 665.27' North and 1723.64' West from the Southeast Section Corner of Section 5, T15S, R9E, Salt Lake Base & Meridian.

Surveyor's Certificate:

I, Albert J. Spensko, a Registered Professional Land Surveyor, holding Certificate 146652 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.





TALON RESOURCES, INC.

Phone (435)687-5310 Fax (435)687-5311 L'Mail tales & atviset



ConocoPhillips Company

WELL UTAH #5-1142 Section 5, T15S, R9E, S.L.B.&M. Carbon County, Utah

	•			
N. BUTKOVICH	Checked By: L.W.J./A.J.S.			
Drawing No.	Date:			
A-1	2/15/06			
A-/	Scale			
	1" = 1000'			
	Job No.			
Sheet 7 of 4	1 2118			

GRAPHIC SCALE

(IN FEET) 1 inch = 1000 ft.



ConocoPhillips Company 6825 South 5300 West P.O. Box 851 Price, UT 84501

March 10, 2006

Ms. Diana Whitney State of Utah Division of Oil, Gas and Mining 1594 West North Temple, Suite 1210 SLC, Utah 84114-5801

RE: Application for Permit to Drill: Utah 5-1142, Utah 20-1183, Utah 17-1177, Utah 18-1179

Dear Ms. Whitney:

Please find enclosed an Application for Permit to Drill (APD) for the following wells:

Utah 5-1142, Utah 20-1183, Utah 17-1177, Utah 18-1179

Please accept this letter as ConocoPhillips' written request for confidential treatment of all information contained in and pertaining to this permit application, if said information is eligible for such consideration.

Thank you very much for your timely consideration of this application. Please feel free to contact me if you have any questions.

Sincerely, In Subrul,

Jean Semborski

Construction/Asset Integrity Supervisor

cc: Mr. Eric Jones, BLM, Moab, Utah

Mr. John Albert, Chevron

Mr. John Lennon, Dominion Resources

Mr. Don Stephens, BLM, Price, Utah

Ms. Debbie Marberry, ConocoPhillips

Mr. Kile Thompson, ConocoPhillips

Mr. Mark Jones, DOGM, Price, Utah

Mr. Ed Bonner, SITLA

ConocoPhillips Well File

MAR 0 8 2006

EXHIBIT "D" DRILLING PROGRAM

Attached to Form 3
ConocoPhillips Company
<u>Utah 5-1142</u>
<u>SW/4, SE/4, Sec.5, T15S, R9E, SLB & M</u>
<u>665' FSL, 1724' FEL</u>
Carbon County, Utah

1. The Surface Geologic Formation

Mancos Shale

2. Estimated Tops of Important Geologic Markers

Blue Gate/Ferron 2896'

3. Projected Gas & H2O zones (Ferron Formation)

Coals and sandstones 2915' - 3053'

No groundwater is expected to be encountered.

Casing & cementing will be done to protect potentially productive hydrocarbons lost circulation zones, abnormal pressure zones, and prospectively valuable mineral deposits.

All indications of usable water will be reported.

Surface casing will be tested to 500 psi and Production casing tested to 1500 psi with a minimum of 1 psi/ft of the last casing string depth

4. The Proposed Casing and Cementing Programs

Hole Size	Casing Size	Wt/Ft	Grade	Joint	Depth set
14 ¾"	12 ¾"	40.5	H-40	ST&C	0-50'
11"	8 5/8"	24.0	J-55	ST&C	0-400'
7 7/8"	5 1/2"	17.0	N-80	LT&C	0-3430

Cementing Program

The 8 5/8" surface casing will be set with approximately 170 sacks Class G or Type V cement with 2% CaCl₂ mixed at 15.6 ppg (yield =1.18 ft³/sx). The cement will be circulated back to surface with 100% excess.

The 5 ½" production casing will be set and cemented using a two stage cementing process. This entails setting casing to total TD and running a DV tool to approximately 300' of the top of the Ferron.

The 1st Stage of cement will then be pumped to approximately 50' from the DV tool. After cement is pumped, the cement cap will be removed and a wiper plug installed. The cement cap will then be screwed back on and a wiper plug will be displaced to TD. The cement cap will be removed and the DV tool bomb will be dropped followed by the 2nd Stage wiper plug. (This is done to open the DV tool and establish circulation.) Once circulation is established, circulation will continue at approximately 1 bpm for 4 hours while waiting on cement (WOC). WOC at a minimum of 4 hours before beginning 2nd stage cement job. After the 2nd Stage has been pumped, a top wiper plug will be dropped and displaced with water (or water spacer and mud). Shut in well and WOC.

The 5 ½" production casing will be set with approximately 110 sacks of Standard Cement, 10% Cal Seal 60 (accelerator), 1% Calcium Chloride (accelerator), ¼ lbm/sk Flocele (lost circulation additive) with a yield of 1.61 ft³/sx at 14.2 ppg; calculated with an excess of 35% for the 1st Stage. For the 2nd stage, approximately 280 sx of 50/50 POZ Premium cement, 8% Bentonite (light weight additive), 10% Cal Seal 60 (accelerator), ¼ lbm/sk Flocele (lost circulation additive) with a yield of 1.98 ft³/sx at 12.5 ppg; calculated with an excess of 30% for the 2nd Stage.

The above cement volumes are approximate and are calculated under the assumption that a gauge hole will be achieved. If the cement does not return to surface, a cement bond log will be run to determine the top of cement. In the case where the cement is below the surface casing shoe, the casing will be perforated and squeeze cemented to the surface. If the cement is above the surface casing shoe, cement will be one-inched to the surface.

The following shall be entered in the driller's log:

- 1) Blowout preventer pressure tests, including test pressures and results;
- Blowout preventer tests for proper functioning;
- Blowout prevention drills conducted;
- 4) Casing run, including size, grade, weight, and depth set;
- 5) How the pipe was cemented, including amount of cement, type, whether cement circulated, location of the cementing tools, etc.;
- 6) Waiting on cement time for each casing string;
- Casing pressure tests after cementing, including test pressures and results.

5. The Operator's Minimum Specifications for Pressure Control

Exhibit "G" is a schematic diagram of the blowout preventer equipment. A double gate 3000 psi BOPE will be used with a rotating head. This equipment will be tested to 2000 psi. All tests will be recorded in a Driller's Report Book. Physical operation of BOP's will be checked on each trip.

6. The Type and Characteristics of the Proposed Circulating Muds

0-400 11" hole Drill with air, will mud-up if necessary.

400-TD 7 7/8" hole Drill with air, will mud-up if necessary.

400 psi @ 1400-1600 cfm

7. The Testing, Logging and Coring Programs are as followed

400-TD Gamma Ray, Neutron Porosity, CBL

Any Anticipated Abnormal Pressures or Temperatures

No abnormal pressures or temperatures have been noted or reported in wells drilled in the area nor at the depths anticipated in this well. Bottom hole pressure expected is about 1494 psi max., however due to offset production pressures may be much lower. No hydrogen sulfide or other hazardous gases or fluids have been found, reported or are known to exist at these depths in the area.

8. Anticipated Starting Date and Duration of the Operations.

The well will be drilled around April 15, 2006

Verbal and/or written notifications listed below shall be submitted in accordance with instructions from the Division of Oil, Gas & Mining:

- (a) prior to beginning construction;
- (b) prior to spudding;
- (c) prior to running any casing or BOP tests;
- (d) prior to plugging the well, for verbal plugging instructions.

Spills, blowouts, fires, leaks, accidents or other unusual occurrences shall be reported to the Division of Oil, Gas & Mining immediately.

SURFACE USE PLAN

Attached to Form 3
ConocoPhillips Company
Utah 5-1142
SW/4, SE/4, Sec.5, T15S, R9E, SLB & M
665' FSL, 1724' FEL
Carbon County, Utah

1. Existing Roads

- a. We do not plan to change, alter or improve upon any existing state or county roads.
- b. Existing roads will be maintained in the same or better condition. See Exhibit "B".

2. Planned Access

Approximately 2,700' of new access is required (Refer to Drawing L-1)

- a. Maximum Width: 24' travel surface with 27' base
- b. Maximum grade: 7%
- c. Turnouts: None
- d. Drainage design: <u>6 culverts</u> may be required. Water will be diverted around well pad as necessary.
- e. If the well is productive, the road will be surfaced and maintained as necessary to prevent soil erosion and accommodate year-round traffic.
- f. Pipe and power lines will follow the proposed access road.

3. Location of Existing Wells

a. Refer to Drawing L-1.

4. Location of Existing and/or Proposed Facilities

- a. If the well is a producer, installation of production facilities will be as shown on Exhibit "H". Buried powerlines run along access on the east and north, gathering lines on the south or west.
- b. Rehabilitation of all pad areas not used for production facilities will be made in accordance with landowner stipulations.

5. Location and Type of Water Supply

- a. Water to be used for drilling will be purchased from the Price River Water Improvement District (a local source of municipal water) (tel. 435-637-6350).
- b. Water will be transported by truck over approved access roads.
- c. No water well is to be drilled for this location.

6. Source of Construction Materials

- a. Any necessary construction materials needed will be obtained locally and hauled to the location on existing roads.
- b. No construction or surfacing materials will be taken from Federal/Indian land.

7. Methods for handling waste disposal

- a. As the well will be air drilled, a small reserve pit will be constructed with a minimum of one-half the total depth below the original ground surface on the lowest point within the pit. The pit will not be lined unless conditions encountered during construction warrant it or if deemed necessary by the DOGM representative during the pre-site inspection. Three sides of the reserve pit will be fenced within 24 hours after completion of construction and the fourth side within 24 hours after drilling operation cease with woven wire topped with barbed wire to a height of not less than four feet. The fence will be kept in good repair while the pit is drying.
- b. Following drilling, the liquid waste will be evaporated from the pit and the pit back-filled and returned to natural grade. No liquid hydrocarbons will be discharged to the reserve pit or location.
- c. In the event fluids are produced, any oil will be retained in tankage until sold and any water produced will be retained until its quality can be determined. The quality and quaritity of the water will determine the method of disposal.
- d. Trash will be contained in a portable metal container and will be hauled from location periodically and disposed of at an approved disposal site. Chemical toilets will be placed on location and sewage will be disposed of at an appropriate disposal site.

8. Ancillary Facilities

a. We anticipate no need for ancillary facilities with the exception of one trailer to be located on the drill site.

9. Wellsite Layout

- a. Available topsoil will be removed from the location and stockpiled. Location of mud tanks, reserve and berm pits, and soil stockpiles will be located as shown on the attachments.
- b. A blooie pit will be located 100' from the drill hole. A line will be placed on the surface from the center hole to the pit. The pit will not be lined, but will be fenced on four sides to protect livestock/wildlife.
- c. Access to the well pad will be as shown on Drawing A-2 and L-1.
- d. Natural runoff will be diverted around the well pad.

10. Plans for Restoration of Surface

- a. All surface areas not required for producing operations will be graded to as near original condition as possible and contoured to maintain possible erosion to a minimum.
- b. Available topsoil will be stockpiled and will be evenly distributed over the disturbed areas and the area will be reseeded as prescribed by the landowner.
- c. Pits and any other area that would present a hazard to wildlife or livestock will be fenced off when the rig is released and removed.

11. Surface Ownership:

a. The wellsite and access road will be constructed on lands owned by the School and Institutional Trust Lands Administration. The operator shall contact the landowner representative and the Division of Oil, Gas and mining 48 hours prior to beginning construction activities.

12. Other Information:

- a. The primary surface use is farming and grazing. The nearest dwelling is approximately 3.4 miles south.
- b. Nearest live water is the North Springs 6,500' southwest.
- c. If there is snow on the ground when construction begins, it will be removed before the soil is disturbed and piled downhill from the topsoil stockpile location.
- d. The backslope and foreslope will be constructed no steeper than 4:1.
- e. All equipment and vehicles will be confined to the access road and well pad.
- f. A complete copy of the approved Application for Permit to Drill (APD) including conditions and stipulations, shall be on the wellsite during construction and drilling operations.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the Division of Oil, Gas & Mining.

13. Company Representative

Jean Semborski
Construction/Asset Integrity Supervisor
ConocoPhillips Company
P.O. Box 851
6825 South 5300 West
Price, Utah 84501
(435) 613-9777
(435) 820-9807

Mail Approved A.P.D. To:

Company Representative

Excavation Contractor

Larry Jensen, Vice President Nelco Contractors Inc. Vice President (435) 637-3495 (435) 636-5268

14. Certification

I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct, and that the work associated with the operations proposed herein will be performed by ConocoPhillips Company and its subcontractors in conformity with this plan and the terms and conditions under which it is approved.

<u>3/3/06</u> Date

Jean Semborski

Construction/Asset Integrity Supervisor

ConocoPhillips Company

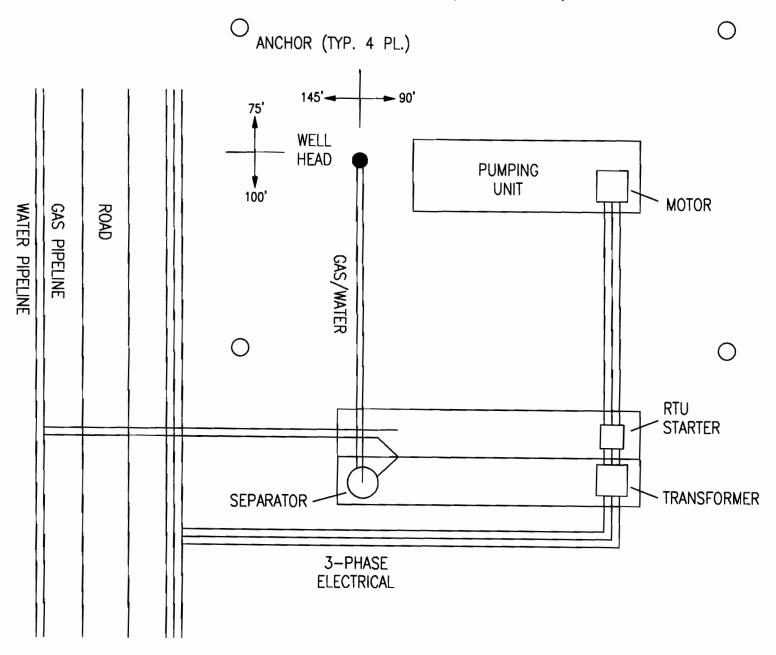
STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES

Bond No.	61.	96922		N OF OIL, GAS			
				SURETY BO	ND		
KNOW AL	L M	EN BY THESE PRE	SENTS:				
That we (d	pera	tor name)CONC	COPHILLIPS COMP	YNA			as Principal,
(surety na	me) ied to	SAFECO INSURAN	ICE COMPANY OF A	MERICA I and firmly bound un	to the State of Utah in the	as Sum of:	rety, duly authorized
lawful mor benefit of	ney o	of the United States.	payable to the Directo	r of the Division of Oi	.*************************************	ent of the State of t	Itah, for the use and
repairing.	oper	ating, and plugging a	nd abandonment of a	well or wells and rest	rincipal is or will be engag oring the well site or sites nerewith for the following	in the State of Utal	h for the purposes of
		Blanket Bond:	To cover all wells of	frilled in the State of	Jtah .		
		Individual Bond:	Well No:	·			
				Township:	Range:		
			County:		, Utan		
INTESTI officers a	MON nd it	IY WHEREOF, said I	Principal has hereunto seal to be affixed this	subscribed its name	i be and remain in full for		by its duly authorized
		Notary Seal here)		12. Teonogo	Principal (comp		
			Ву	Name (print)	Title		Manager
	,	12/1 1		Same	- 7. Hug	her =	
Attestee			Date: 13 30 00	s instrument to be sign	Signatu ned by its duly authorized		morate or notary sea
to be affi	xed (his	•	_			,
18	1	_ day ofJANUAF	CI .	, 20 <u></u> .			
				Taribada Sindiku	Surety Company (Attach		
(Corpor	ate o	r Notary Seal here)	Ву	Name (print)	Title	TORNEY = (N=FA)	
				Jua	N/ Our i	37	
	ar Ar	olyn E. Wh	pelin Date: 12/20/2002	C/O MARS	i usa ine i i i i i		
CA NO MY COM	ROL		OVEMBER 1, 2006		36012, KNOXVILLE	State	17930-6012 Zip

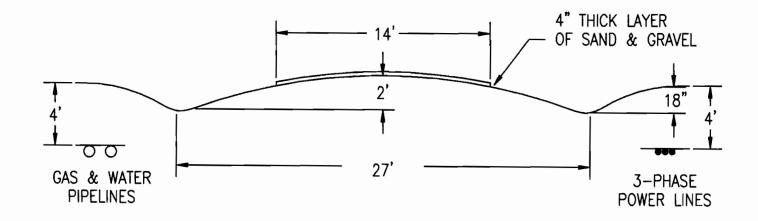
(5/2002)

CONOCOPHILLIPS COMPANY

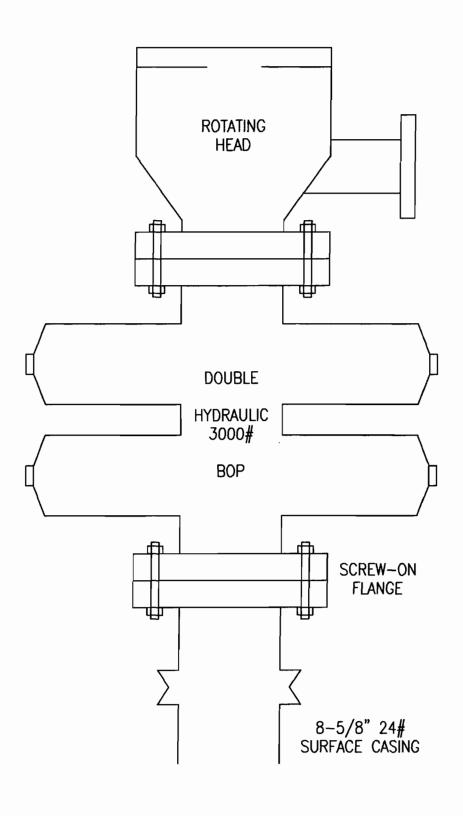
WELL SITE LAYOUT (235' x 175')



TYPICAL ROAD CROSS-SECTION CONOCOPHILLIPS COMPANY



<u>DIVERTER HEAD</u> <u>CONOCOPHILLIPS COMPANY</u>

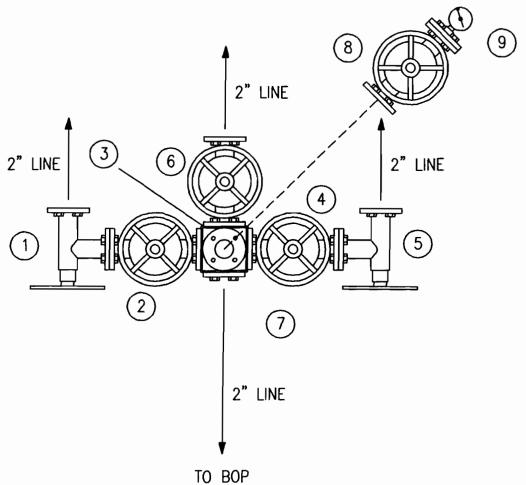


CC OCOPHILLIPS COMPA Y

- (1) 2" 5M FLANGED CHOKE
- (2) 2" 5M GATE VALVE (FLANGED)
- (3) 2" 5M STUDDED CRÒSS
- (4) 2" 5M GATE VALVE (FLANGED)
- (5) 2" 5M FLANGED CHOKE
- (6) 2" 5M GATE VALVE (FLANGED)
- (7) 2" LINE
- (8) 2" 5M GATE VALVE (FLANGED)
- (9) 3000# GAUGE

NOTE:

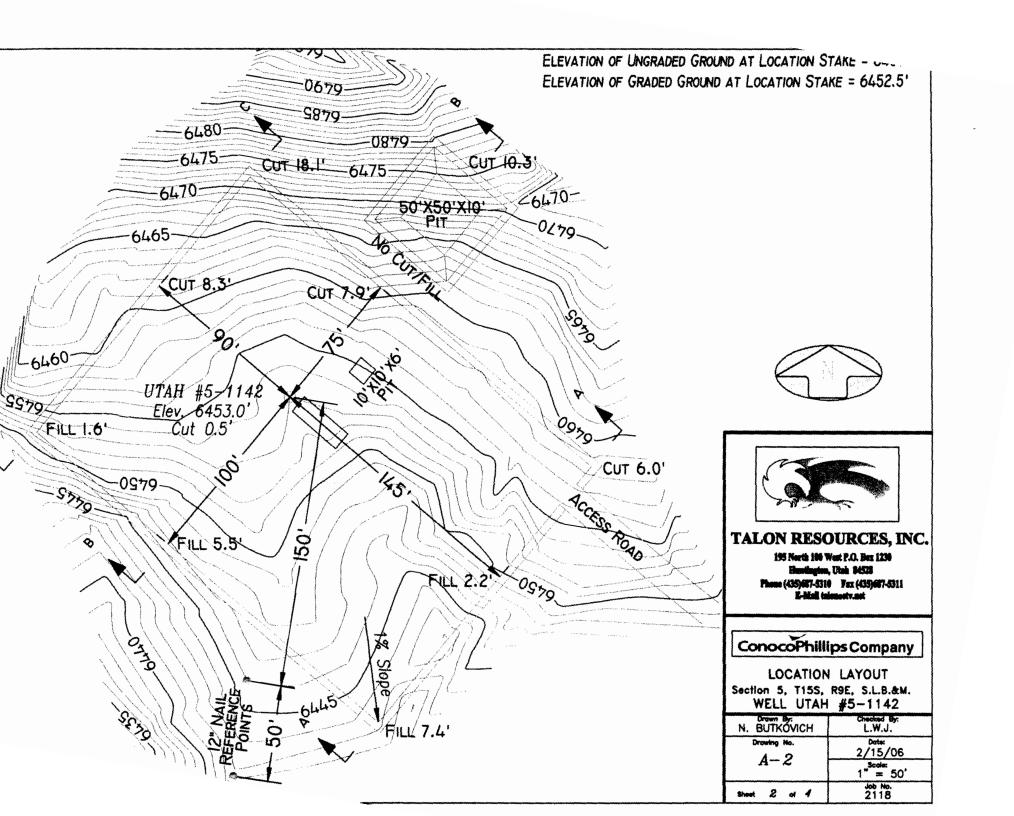
NUMBER 8 GATE VALVE SITS ON TOP OF MANIFOLD BETWEEN STUDDED CROSS AND 3000# GAUGE.

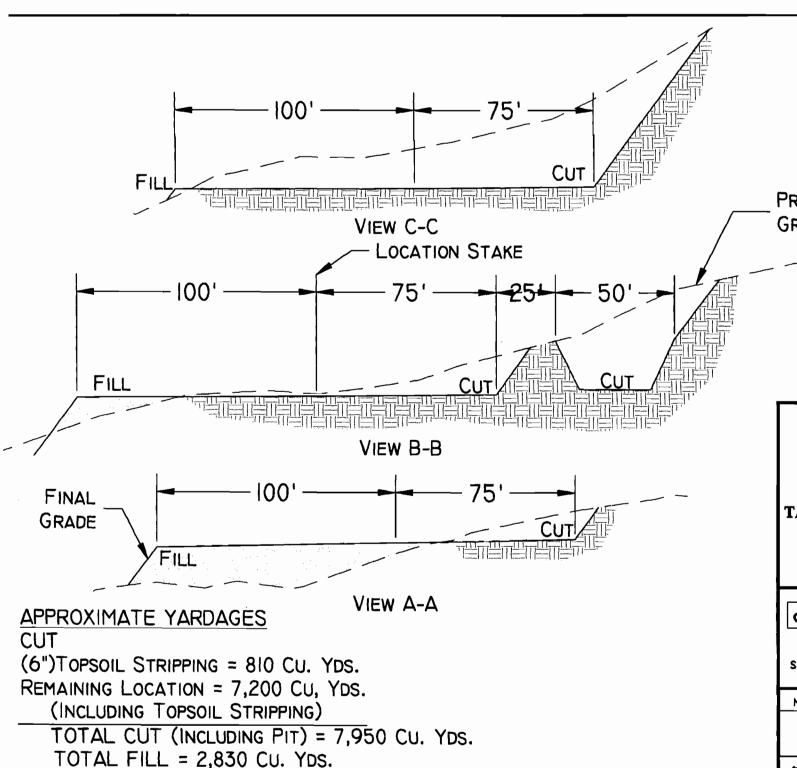


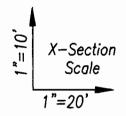
TO BOP AND A NEW 2" BALL VALVE FULL OPEN 5000 PSI

MANIFOLD

EXHIBIT H







PRECONSTRUCTION GRADE

SLOPE = 1 1/2 : 1 (EXCEPT PIT) PIT SLOPE = 1 : 1



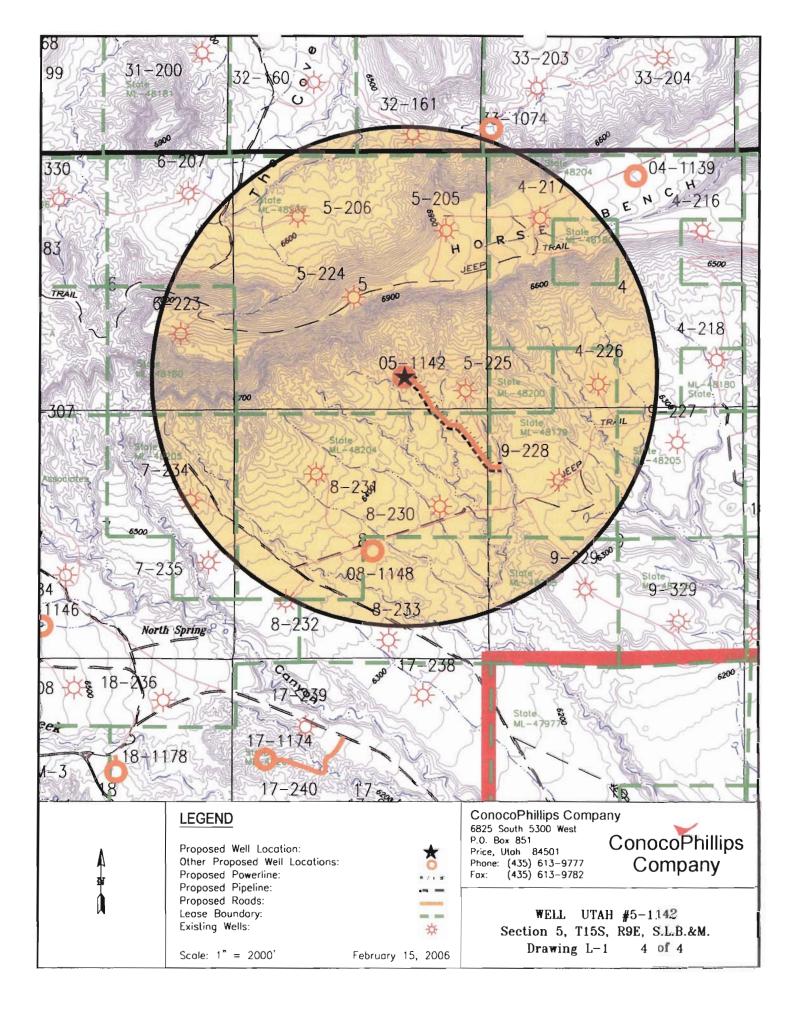
TALON RESOURCES, INC.

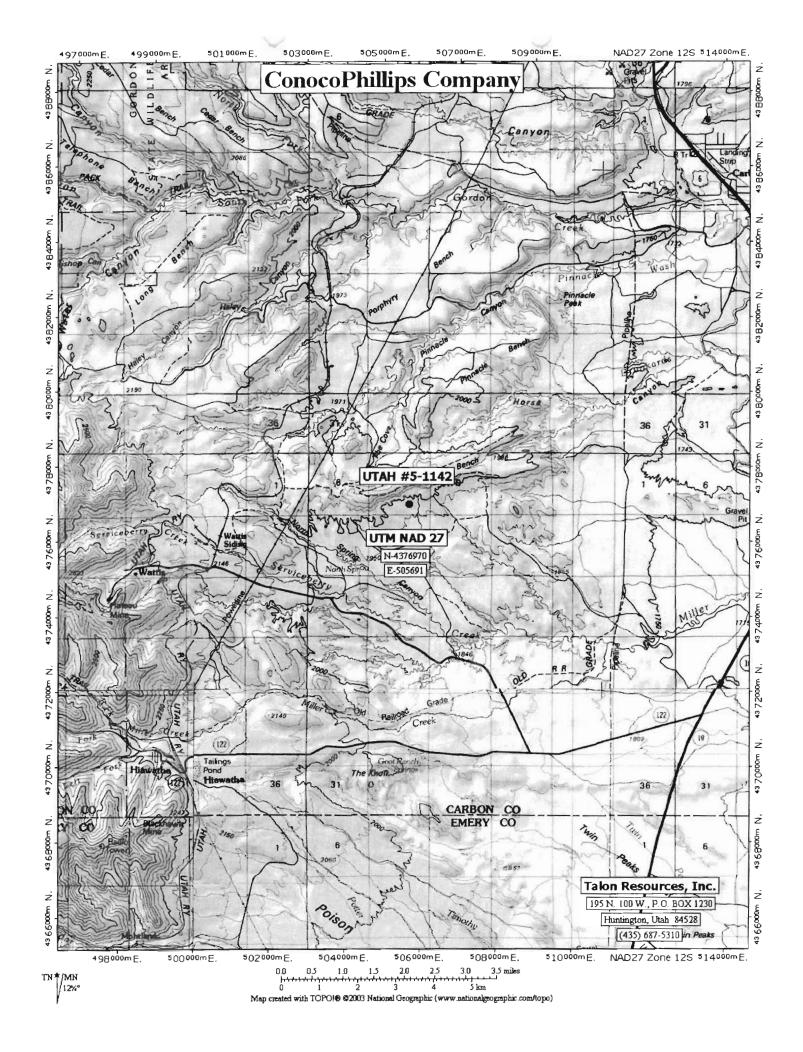
195 North 100 West P.O. Bez 1230 Huntington, Utah 84528 Phono (435)687-5310 Fax (435)687-5311 E-Mail tolomosty.net

Conoco Phillips Company

TYPICAL CROSS SECTION Section 5, T15S, R9E, S.L.B.&M. WELL UTAH #5-1142

N. BUTKOVICH	Checked By:		
Drawing No.	Date: 2/15/06		
C=1	Scale: 1" = 40'		
Sheet 3 of 4	Job No. 2118		





APPROXIMATE LAYOUT OF RIG & EQUIPMENT

